

**OSTER**  
**Researching Services**

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October 3, 2008

RECORDATION NO. 27676 FILED

OCT 03 '08 -8 23 AM

SURFACE TRANSPORTATION BOARD

Ann Quinlan, Esq.  
Acting Secretary  
Surface Transportation Board  
395 E Street, SW  
Washington, D.C. 20423

Dear Ms. Quinlan:

Enclosed for recording with the Surface Transportation Board is a Memorandum of Security Agreement dated 9/24/08 involving the following parties and railroad equipment:

Secured Party: Wells Fargo Equipment Finance, Inc.  
Investors Building, Suite 700  
733 Marquette Avenue So.  
Minneapolis, MN 55402

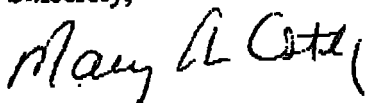
Debtor: Allegheny Valley Railroad Company  
519 Cedar Way Building One  
Suite 100, Post Office Box 127  
Oakmont, PA 15139

Equipment: 6, Locomotives  
IC 8753, 8729, 8711  
LTEX 2678; KCS 617, 627

Please record this agreement as a primary filing. The filing fee of \$41 is enclosed.

Summary: Memorandum of Security Agreement dated 9/24/08 between Wells Fargo Equipment Finance, Inc. as Secured Party and Allegheny Valley Railroad Company as Debtor including 6 Locomotives listed above.

Sincerely,



Mary Ann Oster  
Research Consultant

Enclosure

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Wells Fargo Equipment Finance  
Investors Building, Suite 700  
733 Marquette Ave So  
Minneapolis, MN 55402

St.

TRANSPORTATION BOARD

-8 ~~2008~~ Memorandum of Security Agreement

THIS MEMORANDUM OF SECURITY AGREEMENT (this "Memorandum") is made this 24<sup>th</sup> day of September 24, 2008, by and between Allegheny Valley Railroad Company a corporation ("Debtor"), and WELLS FARGO EQUIPMENT FINANCE, INC, a Minnesota Corporation ("Secured Party").

A. The Debtor is indebted to the Secured Party pursuant to that certain Promissory Note dated as of September 24, 2008 (the "Note") executed by the Debtor in favor of the Secured Party.

B. To secure the Debtor's obligations to the Secured Party, the Debtor executed and delivered to the Secured Party a Security Agreement dated September 24, 2008 pursuant to which the Debtor granted to the Secured Party a continuing, first priority security interest in and to, and lien on, the following collateral:

(a) Ten (10) Locomotives with the following markings described on Schedule A attached hereto (each, a "Railcar", collectively, the "Railcars") and all replacements and substitutions thereof;

(b) all improvements, additions, modifications, accessions, attachments, appurtenances and parts appertaining or attached to the Railcars, whether now owned or hereafter acquired;

(c) all logs, books and records pertaining to the use, operation and/or maintenance of the Railcars or otherwise relating to any of the collateral described herein;

(d) all rights, claims and causes of action, if any, which the Debtor may have now or in the future against any manufacturer, rebuilder or seller of the Railcars (or any component thereof) or any other Person, by contract or otherwise, in respect of any defect in the Railcars or any part thereof;

IN WITNESS WHEREOF, the parties have caused this Memorandum to be executed as of the date first above written.

Wells Fargo Equipment Finance, Inc.

Allegheny Valley Railroad Company

By: [Signature]By: [Signature]Its: Sr. Contract AdminIts: PRESIDENT



Wells Fargo Equipment Finance, Inc.  
733 Marquette Avenue, Suite 700  
Minneapolis, MN 55402

**Schedule A**  
**For Allegheny Valley Railroad Company**

Contract Number 238951-700 dated as of September 24, 2008

**Allegheny Valley Railroad Company**

**Equipment Description: Six (6) Locomotives together with all options, attachments and accessories with the following markings:**

Unit Number	Description
IC 8783	Locomotive EMD Model No. GP-11, Serial Number: AVR2004
IC 8720	Locomotive EMD Model No. GP-11, Serial Number: AVR2005
IC 8711	Locomotive EMD Model No. GP-11, Serial Number: AVR2007
LTEX 2678	Locomotive EMD Model No. SW-1600, Serial Number: CCRA1803
KCS 817	Locomotive EMD Model No. SD-40-2, Serial Number: AVR3001
KCS 827	Locomotive EMD Model No. SD-40-2, Serial Number: AVR3002

**Dated: September 24, 2008**

**Allegheny Valley Railroad Company**

By: 

Title: PRESIDENT



STATE OF Pennsylvania  
COUNTY OF Allegheny

On this 16<sup>th</sup> day of Sept, 2007, before me, a Notary Public of the City and State aforesaid, personally appeared Russell Armstrong, to me personally known, who being by me duly sworn, says that he is the President of Allegheny Valley Land Care Company, PA corporation, the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal.


Michelle E. Motelsky  
Notary Public  
COMMONWEALTH OF PENNSYLVANIA  
Notarial Seal  
Michelle E. Motelsky, Notary Public  
City Of New Kensington, Westmoreland County  
My Commission Expires Jan. 18, 2011  
Member, Pennsylvania Association of Notaries

My commission expires:

STATE OF MINNESOTA  
COUNTY OF HENNEPIN

On this 2<sup>ND</sup> day of OCTOBER, 2007, before me a Notary Public of the City and State aforesaid, personally appeared Peter J. Niles, to me personally known who being by me duly sworn, says that (he/she) is a SP. CONTRACT MAN of WILLIAMSON HOLDINGS, that foregoing instrument is/was signed on behalf of said corporation by authority of its Board of Directors, and (he/she) acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal.

(Seal)   
MICHELLE E. LARSON  
Notary Public  
Minnesota  
My Commission Expires January 31, 2010  
My commission expires: 1/31/2010

William J. Larson  
Notary Public